

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 480 Section 480.110 Registration and Returns</b>
---

**TITLE 86: REVENUE**

**PART 480  
HOTEL OPERATORS' OCCUPATION TAX ACT**

**Section 480.110 Registration and Returns**

- a) Registration
  - 1) It is unlawful for any person to engage in the business of renting, leasing or letting rooms in a hotel in this State without a Certificate of Registration from the Department of Revenue (Department).
  - 2) Any person who engages in such business is required to apply to the Department for a Certificate of Registration on a form which is prescribed by the Department, and which will be furnished on request. Upon receipt of the application to register in proper form, the Department will issue a Certificate of Registration to the applicant. Such Certificate of Registration must be publicly displayed.
  - 3) All the provisions of Subpart G of the Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) (including the provisions concerning the furnishing of bond or other security by taxpayers to the Department, among other things), to the extent to which any such provision is not inconsistent with the Hotel Operators' Occupation Tax Act [35 ILCS 145] (the Act), and the Sections promulgated thereunder, shall apply to the tax collected pursuant to this Part.
- b) Return and Payment of the Tax
  - 1) Except as provided hereinafter in this Section, on or before the last day of each calendar month, every person engaged in the business of renting, leasing or letting rooms in a hotel in this State during the preceding calendar month shall file a return with the Department, stating:
    - A) The name of the operator;
    - B) his residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of renting, leasing or letting rooms in a hotel in this State;
    - C) total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms during such preceding calendar month;

- D) total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms to permanent residents during such preceding calendar month;
  - E) total amount of other exclusions from gross rental receipts allowed by the Act;
  - F) gross rental receipts which were received by him during the preceding calendar month and upon the basis of which the tax is imposed;
  - G) the amount of tax imposed, less a discount of 2.1% or \$25.00 per calendar year, whichever is greater, which is allowed to reimburse the operator for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request pursuant to this Act, if the return and payment are filed in accordance with this Section;
  - H) the amount of penalty due, if any; and
  - I) such other reasonable information as the Department may require.
- 2) If the operator's average monthly tax liability to the Department does not exceed \$200.00, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 30 of such year; with the return for April, May and June of a given year being due by July 31 of such year; with the return for July, August and September of a given year being due by October 31 of such year, and with the return for October, November and December of a given year being due by January 31 of the following year.
  - 3) If the operator's average monthly tax liability to the Department does not exceed \$50.00, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 31 of the following year.
  - 4) Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.
  - 5) Notwithstanding any other provision in the Act concerning the time within which an operator may file his return, in the case of any operator who ceases to engage in a kind of business which makes him responsible for filing returns under the Act, such operator shall file a final return under the Act with the Department not more than one month after discontinuing such business.
  - 6) Where the same person has more than one business registered with the Department under separate registrations under the Act, such person shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.
  - 7) In his return, the operator shall determine the value of any consideration other than money received by him in connection with the renting, leasing or letting of

rooms in the course of his business, and he shall include such value in his return. Such determination shall be subject to review and revision by the Department.

- 8) Where the operator is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.
  - 9) The person filing the return shall, at the time of filing such return, pay to the Department the amount of tax due.
- c) Special Reporting Problem Connected With Exclusion for Permanent Residents. The Act defines a "permanent resident" as a person who occupies or has the right to occupy a room for at least 30 consecutive days. It will not always be possible for a hotel to determine whether a guest is a "permanent resident" at the end of a particular reporting period. In such cases:
- 1) Where a guest has occupied a room for 30 consecutive days as of the end of a reporting period, no tax is due.
  - 2) Where a guest has a binding contract for at least 30 days, no tax need be reported or paid; except that, if the contract is terminated before the end of the first 30 days, a tax should be paid for the period up to the time when the contract is terminated.
  - 3) Where the hotel does not know whether a guest is a "permanent resident" at the end of the period for which a return is filed (because the first 30 days are not up), a tax should be paid. If the guest later stays for 30 days, the amount of rental for the first 30 days, or portion thereof, upon which a tax has already been paid, should be deducted in Item 3 on the return for the next month, and a schedule should be filed with the return explaining such deduction.
- d) Gross Receipts or Gross Billing Basis of Reporting
- 1) At the beginning of a registration under the Hotel Operators' Occupation Tax Act, the registrant may elect to file returns on the receipts basis (reporting, for the return period, only those receipts received during such return period), or the registrant may elect to file returns on the gross billing basis (reporting, for the return period, all rentals billed during the return period whether collected during such return period or not).
  - 2) An operator may change from the gross billing basis to the gross receipts basis of reporting in tax returns without obtaining special permission from the Department. However, once an operator has commenced to file returns on the gross receipts basis, he may not change his method of reporting to the gross billing basis without first obtaining permission from the Department to make this change.
  - 3) On the receipts basis of reporting, since the operator does not report and pay tax on receipts until he receives them, he would never have any occasion for taking a bad debt deduction on his returns. However, where the operator who is filing returns on the gross billing basis pays tax to the Department on a billing which

later turns out to be a bad debt, and which is charged off on the operator's books as a bad debt for Federal income tax purposes, the operator may take a deduction for such bad debt on his Hotel Operators' Occupation Tax return to the Department. If such operator, after taking such bad debt deduction, should later realize a recovery thereon, he shall report and pay tax on the amount of such recovery when filing his return for the return period in which such recovery occurs.

(Source: Amended at 21 Ill. Reg. 2383, effective February 3, 1997)